



ENTERPRISE ZONE PROGRAM

EMAIL BLAST

1-3-11

There have been a number of questions raised recently which need to be addressed in a manner which clarifies departmental policy. As these issues are fairly specific and straight-forward, it is most expedient to address them in an open email to those on our email notification list, rather than through a Management Memorandum. We will periodically issue email blasts to alert enterprise zone managers and others of updates to our website as well. Please visit the HCD website for an updated list of the most recently issued Management Memoranda.

The following are subjects covered in this blast:

- Biennial Reporting
- Management Memo 11-1
- New G-TEDA Monthly Report Form
- EZ and TEA Address Changes

1. Biennial Reporting

Biennial Reports for fiscal years 2007 through 2009 are past due. Each G-TEDA is required to submit a report on its efforts and results in fulfilling commitments made in its MOU, MOU Supplement and/or Designation Application. This information is part of the report which we must submit to the legislature and is critical. Please submit your report as soon as possible. <http://www.hcd.ca.gov/fa/cdbg/ez/Memo10-4.pdf>.

2. Management Memo 11-1: Voucher Number Allocations for 2011

Please see our website for Management Memo 11-1 which includes the Voucher Number allocations for 2011. All current and expired zones, LAMBRAs and MEAs are allocated numbers as well as the new, conditionally designated zones. Conditional zones which are re-designations may continue to issue vouchers, while new zones must first receive final designation.

3. New G-TEDA Monthly Report and Remittance Form

The Monthly Report has been updated with new information and account numbers which are used by the Department's accounting group to properly record and apply fees. This new form must be used to report all vouchering activity from December 2010 onward and is available on our website. <http://www.hcd.ca.gov/fa/cdbg/ez/EZoverview.html>

Remember, the new application fees are effective beginning with the December 2010 report. **The old form may no longer be used.**

4. Enterprise Zone and Targeted Employment Area Addresses

Infill and new development often result in new street names, numbers and address range expansions. The local enterprise zone management is usually first made aware of these changes when new businesses inquire about zone benefits or when enterprise zone

businesses apply for vouchers for new employees. This leads to the discovery that although the business or TEA address is clearly located within the zone boundaries as shown on the map and census tract listing, it does not appear on the street range listing. There has been some concern that since the HCD website listing is the “official” one, zones may not process vouchers for addresses which do not appear on the website’ street range listing.

This is not true. Businesses are eligible for enterprise zone tax credits if they are located within the legal boundaries of the enterprise zone. An address which is located within the TEA should be considered a TEA address if it can be shown that it is within an approved TEA census tract and within the jurisdictions of the governing bodies of the enterprise zone. Although it is mandatory that the Department be notified of the street range correction or update, the Vouchering Agent need not wait until the department’s website is updated with the proper street ranges to issue vouchers.

We have updated some of the language on our website, under the “Maps and Street Ranges” section, to reflect and clarify this position. When an error or omission of an address is found in the street ranges, zone staff should revise the street ranges and submit the update to HCD immediately for posting on our website. This is important as it is this official listing which is used by tax authorities.